

Administrative Procedure 516

Revised: October 2009

PURCHASING CARDS

Background

The divisional Purchasing Card program provides the opportunity for schools and school division personnel to exercise timely, efficient, and cost effective purchasing power to serve the educational mandate of Holy Spirit Catholic Schools. When assuming the responsibility of a Purchasing Card, all employees are also empowered to safeguard divisional assets through engaging in practices that assure this call to stewardship will always take place.

Value and Core Commitment Link

“Stewardship”

- “We are accountable to our supporters and will operate in a fiscally responsible manner.”

Procedures

1. Purchasing Cardholders are responsible for any charge card use.
2. Purchasing cards will be allocated according to position within the school division.
3. The total number of cards issued within the school division will not exceed 50. (see APPENDIX ‘B’).
4. The number of purchase cards issued to each school may not exceed the maximum number of eligible positions.
5. No school is required to use purchasing cards in order to conduct business on behalf of the school division.
6. The issuance of purchasing cards within schools is at the discretion of the school Principal.
7. The following personnel are deemed to be “Supervisors” in authorizing, reviewing, and controlling expenditure practices for Purchasing Cardholders.

Purchasing Cardholder

Superintendent
Deputy Superintendent
Secretary Treasurer
Associate Superintendent, Student Services
Executive Assistant

Supervisor

Board Chair
Superintendent
Superintendent
Superintendent
Superintendent

Purchasing Cardholder

Network Administrator
 Principals
 Teaching and School Support Staff
 Divisional Maintenance Staff
 Facilities Manager

Supervisor

Deputy Superintendent
 Deputy Superintendent
 Principals
 Facilities Manager
 Secretary-Treasurer

8. The use of Purchasing Cards is subject to the following restrictions:
- 8.1 Only the person whose name appears on the card may use the card.
 - 8.2 The card must only be used to purchase goods and services required for the business purposes of Holy Spirit Catholic Schools.
 - 8.3 The card may only be used within the limitations defined by this procedure.
 - 8.4 Online travel agents may only be accessed with the Supervisor's prior approval.
 - 8.5 The card **may not** be used for the following:
 - 8.5.1 personal or private use, including cash advances,
 - 8.5.2 splitting purchases to circumvent card limits,
 - 8.5.3 purchases that are administered through the collective agreement (ie. professional development funding),
 - 8.5.4 personal entertainment,
 - 8.5.5 radioactive material,
 - 8.5.6 hazardous material,
 - 8.5.7 maintenance contracts (eg. cell phones, printers, photocopiers),
 - 8.5.8 leasing of equipment or extended rentals that exceed 30 days,
 - 8.5.9 capital purchases valued over \$1000, including taxes (eg. computers, office equipment, scientific equipment, furnishings), and
 - 8.5.10 expenditures related to school generated funds.
9. Each Cardholder and Supervisor is responsible for familiarizing him or herself with the current procedures and restrictions that govern the use of the Purchasing Card.
10. Each new Cardholder will be informed and acknowledge the responsibilities and obligations Associated with the use of the Purchasing Card. A "Cardholder Agreement Form," APPENDIX A of this procedure, must be signed at the time of issuance of the card to confirm the Cardholder's agreement to the terms and conditions of the Purchasing Card. The signed "Cardholder Agreement Form" must be returned to the Director of Finance within 10 days of receipt or use, or the Purchasing Card will be suspended.

11. The Cardholder is liable for any unauthorized use of the Purchasing Card until notification of loss or theft has been reported. Lost or stolen cards must be reported to the Supervisor of the Purchasing Card, the Secretary-Treasurer, and the Royal Bank Purchasing Card Customer Service number that appears on the back of the Purchasing Card (1-800-588-8065). It is the responsibility of the Cardholder to contact the customer service number for the purpose of reporting the loss or theft of a card.
12. Cardholder Responsibilities:
 - 12.1 Any Purchasing Card use.
 - 12.2 Obtaining all supporting documentation and attaching same to the online reconciliation that is provided.
 - 12.3 Attaching to the online reconciliation original receipts (both the credit card and the vendor receipt). The vendor receipt must contain an itemized account of the items purchased.
 - 12.4 Logging in the online reconciliation to the Supervisor activity that states the following:
 - 12.4.1 the name of the merchant,
 - 12.4.2 the reason for the purchase,
 - 12.4.3 the purchase amount before GST,
 - 12.4.4 the GST amount, and
 - 12.4.5 the total purchase amount.
 - 12.5 Accounting for the GST amount within the transaction.
 - 12.6 Requesting that an original receipt (factoring shipping and GST) be made available upon the arrival of goods that have been purchased by phone or mail.
 - 12.7 Assuring that the relevant Supervisor reviews and approves the monthly reconciliation, including the receipts that have been submitted.
 - 12.8 Taking action for those items on the monthly statement received that do not correlate with the entries in the log or retained receipt.
 - 12.9 Arranging for the payment of funds, to the Secretary-Treasurer, when the Cardholder or the Supervisor determines that a card has been used inappropriately.
 - 12.10 Contacting Royal Bank Customer Service when a vendor does not agree with any perceived error, as determined by the Cardholder or the Supervisor.
 - 12.11 Submission of the online reconciliation to the Supervisor within the timelines determined by the Secretary-Treasurer.

13. Supervisor Responsibilities:

- 13.1 Approving the issuance of Cardholder Agreements for personnel within his / her range of supervision by contacting the Secretary-Treasurer with a request for a Purchasing Card.
- 13.2 Reviewing and approving the monthly online reconciliation of the Cardholder.
- 13.3 Determining that the correct documentation, as outlined in clauses 12.3 and 12.4, is in place.
- 13.4 Ensuring that the receipts and the log indicate the same information.
- 13.5 Reporting any breaches of responsibilities to the Cardholder and to the Secretary-Treasurer.

14. Secretary-Treasurer's Responsibilities

- 14.1 Maintaining the Purchasing Card program and acting as the "Plan Administrator."
- 14.2 Obtaining a "Cardholder Agreement Form" to confirm agreement to terms and conditions when the Purchasing Card is issued to an individual, and upon the expiry and renewal of the Purchasing Card.
- 14.3 Monitoring use of the Purchasing Card for adherence to this Administrative Procedure, and reporting any irregularities to the Secretary-Treasurer.
- 14.4 Monthly Interfacing of Purchasing Card transactions to the general ledger.
- 14.5 Requesting a replacement card when a Purchasing Card has been lost or stolen.
- 14.6 Increasing transaction limits, as authorized by the Supervisor and approved by the Secretary Treasurer.

15. Secretary-Treasurer Responsibilities:

- 15.1 Responding to any irregularities as identified by the Accounts Payable Coordinator or the Director of Finance.
- 15.2 Authorizing the Director of Finance to terminate a Cardholder's services as a consequence of breaches of responsibility made either by the Cardholder or the Supervisor.
- 15.3 Approve increases to transaction limits, as authorized by the Supervisor.
- 15.4 Ensure the maintenance of a system of adequate internal financial control over the Purchasing Card program.

16. Superintendent Responsibilities:

- 16.1 Arranging for periodic internal audits of the Purchasing Card process.
- 16.2 Addressing disputes beyond the resolution of the Secretary-Treasurer.

17. The decision to terminate the issuance of a Purchasing Card is at the discretion of the Supervisor, Secretary Treasurer, or Superintendent of Schools. Since alternative purchasing processes are always available to the Cardholder, all decisions reached regarding the termination of Purchasing Cards will be final.

18. Purchasing Card Restrictions

18.1 Since the school division holds a collective credit card, which assumes risk for all credit values allocated, and the intended use of the card is to sustain lower cost purchasing through an efficient mechanism, the following maximum purchasing limits have been set:

18.1.1	Single transaction limit (Principal, Associate Principal, Senior Administration):	\$1,000
18.1.2	Other single transaction limit:	\$500
18.1.3	Daily transaction limit (Principal, Associate Principal, Senior Administration)	\$2,000
18.1.4	Other daily transaction limits:	\$1,000
18.1.5	All monthly transaction limits:	\$5,000

19. Any change of these credit limitations may be authorized by the Secretary-Treasurer, either permanently or temporarily, upon written request, as outlined within this procedure. When such requests occur, the Director of Finance will keep a record of the following:

- 19.1 The extent of the requested increase.
- 19.2 The rationale for the increase.
- 19.3 The time period for the extension of the limit increase.

20. All limit increases will be reviewed annually by the Secretary-Treasurer, with recommendations for further amendments to this procedure being forwarded to the Superintendent of Schools.